

## Summary

### Association of German Banks – Call for Evidence on the Savings and Investment Union

#### Introduction

- Deep and efficient EU financial markets are vital for the financing of the EU's upcoming challenges: innovation, transformation, demographic changes, security and resilience.
- The key element in achieving this will be a regulatory framework that makes the capital markets not only secure and efficient, but also attractive and liquid, i.e. globally competitive.
- It is imperative for the further development of the EU capital market that **competitiveness** is used **as a guiding principle for revising existing EU rules** and for drafting new regulations.
- There are regulatory as well as non-regulatory measures that need to be taken.
- We would like to highlight the following:
  - Securitisations: A change of the excessive state of the regulations is necessary, especially the capital requirements for securitisation positions pursuant to the CRR, and due diligence and transparency requirements for securitisation transactions (see attachment).
  - Attracting retail investors and channelling citizens' funds into long-term capital market investments: RIS / pensions: We emphasize that the use of investment accounts should be incentivised and made attractive. Investment savings should be easy for the public to comprehend, free of unnecessary administrative hurdles, and thus simple to implement. At the same time, there is no need for state-designed products whereas the market should continue to identify and design products based on the needs and requirements of retail investors (see attachment).
  - VAT: EU-wide standardised and legally certain VAT regulations in the financial services sector are an important component of the SIU (see attachment).
  - Global minimum taxation: Simplifications to global minimum taxation (Pillar 2) are essential to avoid unnecessary burdens for financial institutions and to maintain competitiveness (see attachment).
  - Strengthening the EU clearing market: Next to a pragmatic implementation of EMIR 3.0 without complex and bureaucratic reporting obligations for active accounts, a targeted harmonization of insolvency law should take place in reviewing long standing pieces of EU law: The Settlement Finality Directive (SFD) and the Financial Collateral Directive (FCD) have proven to be indispensable components of the EU capital markets architecture. They need to be adapted and modernised (see attachment).
  - Harmonized supervision: Europeanisation, harmonisation and coherence should – only – be sought where this makes sense for the development of the capital markets and ultimately for the financing of the economy.